



SPILMAN THOMAS & BATTLE, PLLC

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April 7, 2006

VIA FEDERAL EXPRESS

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

RECORDATION NO. 26290 FILED

APR 11 '06

10-28 AM

SURFACE TRANSPORTATION BOARD



Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) please find two originals of a Security Agreement, dated as of April 6, 2006, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Secured Party: Fifth Third Bank
999 4th Avenue
Huntington, West Virginia 25701

Debtor: Rail Connection, Inc.
737 Eleanor Industrial Park
Eleanor, WV 25070

A description of the railroad equipment covered by the enclosed document is set forth in Exhibit A attached to the enclosed Security Agreement.

A short summary of the document to appear in the index is:

Security Agreement.

Also enclosed is a check payable to the order of the Surface Transportation Board covering the required recordation fee.

Spilman Center 300 Kanawha Boulevard, East Post Office Box 273 Charleston, West Virginia 25321-0273
www.spilmanlaw.com 304.340.3800 304.340.3801 fax

Charleston

Morgantown


Pittsburgh

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Mr. Vernon A. Williams
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Kindly return a stamped original of the enclosed document to the undersigned in the enclosed self-addressed stamped envelope.

Very truly yours,



Angela F. Hill

AFH/tlh/410084
Enclosures

APR 11 '06

10-28 AM

SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

This Security Agreement (hereinafter called "Agreement"), is made and entered into as of this 6th day of April, 2006, between **RAIL CONNECTION, INC.**, a West Virginia corporation ("Company"), and **FIFTH THIRD BANK**, an Ohio banking corporation ("Bank").

WHEREAS, pursuant to the terms of that certain Loan Agreement of even date herewith between Company and Bank (the "Loan Agreement"), Bank has agreed to make a loan to Company in the total principal amount of \$2,356,000.00, to be secured, *inter alia*, by a first lien security interest in certain of the Company's assets; and

WHEREAS, in consideration of Ten Dollars (\$10.00) cash in hand paid and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Grant of Security Interest.

(a) To secure the payment as and when due of all Obligations (as such term is defined in the Loan Agreement, Company hereby grants to Bank all of Company's right, title and interest in the one hundred thirty-one (131) rail cars more particularly defined and described in the Schedule of Railcars attached hereto and incorporated herein as **Exhibit A** (the "Railcars"), as such Schedule of Railcars may be amended from time to time, and grants Bank a first priority security interest in (i) the Railcars, (ii) Company's interest in accessions, accessories, equipment, appurtenances, and replacement and added parts appertaining or attached to any of the Railcars, whether now owned or hereafter acquired, and all substitutions, renewals or replacement of and additions, improvements, accessions and accumulations to any of the Railcars, together with all the rents, issues, income, profits, and avails therefrom and proceeds thereof, (iii) all proceeds and all present and future evidences of rights to payment (including, without limitation, insurance and indemnity payments) due or to become due to Company on account of the lease, sale, loss or other disposition of the Railcars, (iv) that certain Master Lease Agreement between the Company (as successor to Joseph Leasing Ltd. and The David J. Joseph Company, as Lessor) and Ohio Central Railroad System (as Lessee), dated October 24, 2003, as amended, modified and supplemented, (v) that certain Railroad Equipment Lease between the Company (as successor to The David J. Joseph Company, as Lessor) and Gershow Recycling Corporation (as Lessee), dated August 10, 2004, as amended, modified or supplemented; (vi) that certain Railroad Equipment Lease between the Company (as successor to The David J. Joseph Company, as Lessor) and United Iron and Metal, LLC, dated as of January 20, 2004, as amended, modified and supplemented (with subparagraphs (iv), (v) and (vi) being together referred to as the "Leases"), and (vii) and all bills of sale or other similar documents, agreements and instruments relating to the Railcars, and all other leases, chattel paper, agreements, accounts, bank or deposit accounts and instruments relating to the Railcars, whether now existing or hereafter arising (the "Documentary Security"), together with all of the Company's estate, right, title, interest, claims and demands in, to and under such documents, agreements and instruments, including all extensions of any of the terms thereof, together with all rights, powers, privileges, options and other benefits of Company including, without limitation, the right to receive notices, give consents, exercise any election or option, declare defaults and demand payments thereunder,

and (viii) all rent, damages, and other moneys from time to time payable to or receivable by Company under the Documentary Security (the Railcars, Documentary Security, proceeds, rights, claims and causes of action described in items (i) through (viii) above being sometimes collectively called the "Collateral"), to have and to hold all and every part of the Collateral unto Bank, its successors and assigns, for its and their own use and benefit forever.

(b) Company agrees to prepare and deliver to Bank on the Closing Date (as defined in the Loan Agreement), or to the extent permissible by law, authorizes Bank to prepare and file this Security Agreement or a Memorandum of Security Agreement with the Surface Transportation Board pursuant to 49 U.S.C. §11301. Company also authorizes Bank to file financing statements and continuation statements, with or without the signature of the Company, in all jurisdictions necessary to create, perfect, and continue the security interests created by this Security Agreement. Company will sign and execute alone or with Bank any financing statements, amendments or other documents, procure any documents and pay all costs necessary to maintain, defend and protect the security interests arising under this Security Agreement against the rights or interests of any third party. Company will pay all fees and costs associated with the filing of such documents and statements.

(c) Company will cause each Railcar to be kept and numbered with the identifying numbers set forth in the Schedule of Railcars attached hereto as Exhibit A and all other markings and stenciling required by the Interchange Rules and the Codes of Car Hire and Car Service Rules of the Association of American Railroads, as the same may be amended from time to time. Company shall promptly replace any such words or numbers which may be removed, defaced or destroyed. Company will not change, or permit to be changed, the numbers on any Railcar, except in accordance with a statement of new numbers to be submitted therefore which previously shall have been filed, recorded or deposited by Company with Bank and in all public offices where this Security Agreement or Memorandum of Security Agreement has been filed, recorded or deposited.

2. Representations, Warranties and Covenants of Company. Company hereby represents, warrants and covenants as follows:

(a) The address appearing with Company's signature below is the address of Company's principal business office.

(b) Company will give Bank 30 days' prior written notice of any change in Company's principal office or records regarding the Collateral.

(c) Except for the Lease, Company will not, without the prior written consent of Bank, move, sell, lease, permit any encumbrance on or otherwise dispose of the Collateral. Company represents and warrants that Company is the sole owner of the Collateral, free and clear of all liens, claims, and encumbrances and Company will defend the Collateral and the Bank's interest therein against all adverse claims and demands.

(d) Company agrees to pay to Bank on demand all expenses, including reasonable attorney fees and expenses, incurred by Bank in protecting or enforcing its rights in the Collateral or otherwise under this Agreement.

(e) Company shall deliver to Bank all items of Collateral of which possession by Bank is necessary to perfect its security interest therein.

(f) Company hereby agrees to faithfully preserve and protect Bank's security interest in the Collateral at all times, and further agrees to execute and deliver, from time to time, any and all further, or other, security agreements, Surface Transportation Board filings, financing statements, documents and instruments and perform or refrain from performing such acts, as Bank may reasonably request to effect the purposes of this Agreement and to secure to Bank the benefits of all the rights, authorities and remedies conferred upon Bank by the terms of this Agreement. Company shall permit, or cause to be permitted, at Company's expense, representatives of Bank to inspect and make copies of the books and records of Company relating to the Collateral at any reasonable time or times upon prior notice.

3. Defaults. The occurrence of any of the following events shall constitute a default hereunder: An Event of Default shall occur and be continuing beyond any applicable grace period as defined in the Loan Agreement or under this Agreement or any of the other Loan Documents (as defined in the Loan Agreement).

4. Remedies.

(a) Upon the occurrence of a default under this Agreement, Bank may exercise any one or more of the rights and remedies granted pursuant to this Agreement or given to a secured party under applicable law, including without limitation the right to take possession and sell, lease or otherwise dispose of the Collateral. If reasonable notice of any disposition of Collateral or other enforcement is required, such requirement will be met if such notice is mailed, postage pre-paid, to the address of Company shown below Company's signature on this Agreement at least 10 days prior to the time of disposition or other enforcement. Company agrees that upon demand by Bank after default, Company will promptly assemble the Collateral and make the Collateral available to Bank at a place convenient to Bank.

(b) Company agrees that all of the Collateral and all of the other security which may be granted to Bank in connection with the obligations secured hereby constitute equal security for all of the obligations secured hereby, and agrees that Bank shall be entitled to sell, retain or otherwise deal with any or all of the Collateral, in any order or simultaneously as Bank shall determine in its sole and absolute discretion, free of any requirement for the marshaling of assets or other restriction upon Bank in dealing with the Collateral or such other security.

(c) Upon the occurrence of any default under this Agreement, Company hereby irrevocably constitutes and appoints Bank (and any employee or agent of Bank) as Company's true and lawful attorney-in-fact with full power of substitution, in Bank's

name or Company's name or otherwise, for Bank's sole use and benefit, at Company's cost and expense, to exercise the following powers with respect to the Collateral:

(1) To demand, sue for collection, receive, and give acquittance for any and all monies due or owing with respect to the Collateral;

(2) To receive, take, endorse Company's name on, assign and deliver any checks, notes, drafts, documents or other instruments taken or received by Bank in connection with the Collateral;

(3) To settle, compromise, prosecute, or defend any action or proceeding with respect to the Collateral;

(4) To sell, transfer, assign or otherwise deal in or with the Collateral or the proceeds thereof, as fully as if Bank were the absolute owner thereof;

(5) To sign Company's name to and file this Security Agreement or such other documents and instruments as Bank deems necessary or desirable with the Surface Transportation Board or such other agencies as Bank may deem appropriate;

(6) To take any and all action that Bank deems necessary or proper to preserve its interest in the Collateral, including without limitation, the payment of debts of Company that might impair the Collateral or Bank's security interest therein, the purchase of insurance on the Collateral, the repair or safeguard of the Collateral, or the payment of taxes thereon; and

(7) To notify any lessee of any Collateral of Bank's security interest in the Collateral and to instruct them to make payment directly to Bank.

(d) Company agrees that the powers of attorney granted herein are coupled with an interest and shall be irrevocable until full, final and irrevocable payment and performance of the indebtedness secured hereby; and that neither Bank nor any officer, director, employee or agent of Bank shall be liable for any act or omission, or for any mistake or error of judgment, in connection with any such powers;

(e) Notwithstanding the foregoing, Bank shall be under no duty to exercise any such powers, or to collect any amount due on the Collateral, to realize on the Collateral, to keep the Collateral, to make any presentment, demand or notice of protest in connection with the Collateral, or to perform any other act relating to the enforcement, collection or protection of the Collateral;

(f) This Agreement shall not prejudice the right of Bank at its option to enforce the collection of any indebtedness secured hereby or any other instrument executed in connection with this transaction, by suit or in any other lawful manner. No right or remedy is intended to be exclusive of any other right or remedy, but every such right or remedy shall be cumulative to every other right or remedy herein or conferred in any other agreement or document for the benefit of Bank, or now or hereafter existing at law or in equity.

5. Miscellaneous.

(a) This agreement shall be governed by and construed in accordance with the laws of the State of West Virginia.

(b) This Agreement shall inure to the benefit of Bank, its successors and assigns and to any other holder who derives from Bank title to or an interest in the indebtedness which this Agreement secures, and shall be binding upon Company, its successors and assigns.

(c) If any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been included.

(d) All notices pursuant to this Security Agreement shall be in writing and shall be directed to the addresses set forth below or such other address as may be specified in writing, by certified or registered mail, return-receipt requested by the party to which or whom notices are to be given. Notices shall be deemed to be given three days after mailing by depositing it in any United States post office station or mailbox in a post-paid envelope.

[Remainder of page intentionally left blank; Signatures appear on the following page]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date written above

RAIL CONNECTION, INC.

By: 

Its: Vice President

737 Eleanor Industrial Park
Eleanor, WV 25070

FIFTH THIRD BANK

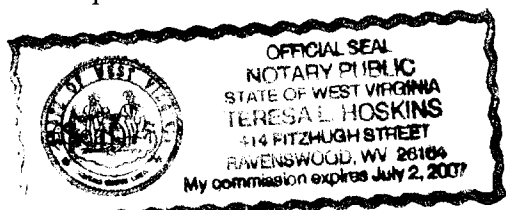
By: 

Its: Vice President

999 4th Avenue
Huntington, WV 25701

STATE OF WEST VIRGINIA)
) ss.
COUNTY OF KANAWHA)

On this 6th day of April, 2006, before me personally appeared W. Kurt Higginbotham, to me personally known, who being by me duly sworn, says that he is the Vice President of Rail Connection, Inc., a West Virginia corporation, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



[Signature]
Notary Public

My commission expires: July 2, 2007

STATE OF WEST VIRGINIA)
) ss.
COUNTY OF KANAWHA)

On this 6th day of April, 2006, before me personally appeared Jeff A. Vickers, to me personally known, who being by me duly sworn, says that he is the Vice President of Fifth Third Bank, an Ohio banking corporation, that the foregoing instrument was signed on behalf of said banking corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



[Signature]
Notary Public

My commission expires: July 2, 2007

EXHIBIT A

One hundred thirty-one (131), railcars currently bearing reporting marks:

Fifty-nine (59), 66' mill gondolas:

MVRY	1	MVRY	38	MVRY	60419	MVRY	60443	MVRY	70019
MVRY	2	MVRY	42	MVRY	60420	MVRY	60448	MVRY	70030
MVRY	4	MVRY	44	MVRY	60421	MVRY	60449	MVRY	70036
MVRY	9	MVRY	45	MVRY	60423	MVRY	60452	MVRY	70037
MVRY	10	MVRY	231	MVRY	60425	MVRY	60456	MVRY	70038
MVRY	15	MVRY	233	MVRY	60426	MVRY	60903	MVRY	70041
MVRY	19	MVRY	60401	MVRY	60430	MVRY	70001	MVRY	70042
MVRY	23	MVRY	60403	MVRY	60432	MVRY	70007	MVRY	70047
MVRY	26	MVRY	60406	MVRY	60433	MVRY	70008	MVRY	70050
MVRY	31	MVRY	60407	MVRY	60435	MVRY	70011	MVRY	70051
MVRY	34	MVRY	60409	MVRY	60436	MVRY	70013	MVRY	70053
MVRY	37	MVRY	60415	MVRY	60442	MVRY	70018		

Forty-five (45), 66' flatcars:

DJTX	70069	DJTX	70079	DJTX	70091	JTSX	400003	JTSX	400013
DJTX	70070	DJTX	70080	DJTX	70093	JTSX	400004	JTSX	400014
DJTX	70071	DJTX	70081	DJTX	70095	JTSX	400005	JTSX	400015
DJTX	70072	DJTX	70082	DJTX	70096	JTSX	400006	JTSX	400016
DJTX	70073	DJTX	70084	DJTX	70097	JTSX	400008	JTSX	400017
DJTX	70074	DJTX	70085	DJTX	70098	JTSX	400009	JTSX	400019
DJTX	70076	DJTX	70088	JTSX	400000	JTSX	400010	JTSX	400020
DJTX	70077	DJTX	70089	JTSX	400001	JTSX	400011	JTSX	400022
DJTX	70078	DJTX	70090	JTSX	400002	JTSX	400012	JTSX	400023

Twenty-one (21), 100 ton gondolas:

JTSX	101414	JTSX	101429	JTSX	101435	JTSX	101442	JTSX	101447
JTSX	101416	JTSX	101431	JTSX	101436	JTSX	101443	JTSX	101449
JTSX	101424	JTSX	101433	JTSX	101439	JTSX	101444	JTSX	101452
JTSX	101426	JTSX	101434	JTSX	101441	JTSX	101445	JTSX	101584
JTSX	101427								

Six (6), 100 ton gondolas:

JTSX	101410	JTSX	101428	JTSX	101430	JTSX	101446	JTSX	101448	JTSX	101451
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